

# **Aging Programs Audit Guide**

*A supplement to the Provider Agency Audit Guide and to the  
State Single Audit Guidelines for agencies administering programs for the aging*



**2003 Revision**

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<b>Summary of changes in this revision</b>
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Section	Description of changes
Introduction	<ul style="list-style-type: none"> <li>• Corrected reference to HFS 68.</li> <li>• Changed contact person.</li> </ul>
1.3 Title III-E of the Older Americans Act – National Family Caregiver Support Program	<ul style="list-style-type: none"> <li>• Under program objectives, expanded objectives to include services for grandparents caring for grandchildren.</li> <li>• Under program procedures, excluded aging units operated by tribes, since these agencies receive funding directly from the federal government.</li> <li>• Under eligibility, clarified that these services are intended for frail individuals.</li> </ul>
1.4 Title III-B of the Older Americans Act – Supportive Services	<ul style="list-style-type: none"> <li>• Under program procedures, clarified role of area agencies on aging in distributing funds.</li> </ul>
1.5 Title III-C of the Older Americans Act – Nutrition Services	<ul style="list-style-type: none"> <li>• Under eligibility, clarified that only disabled persons who both live with <i>and</i> accompany an older person are eligible for congregate nutrition services.</li> </ul>
3 Title V of the Older Americans Act – Older American Community Service Employment Program	<ul style="list-style-type: none"> <li>• Under program objectives, clarified that employment may be in the private or public sector.</li> <li>• Under program procedures, clarified roles of parties involved in the program.</li> <li>• Under types of services allowed, clarified the activities which funds may be used for.</li> <li>• Under eligibility, corrected the due date for enrollment forms.</li> <li>• Under special provisions – wages... clarified that sick leave and holidays may be included in wage costs and clarified average and maximum work hours for participants.</li> </ul>
4 The Corporation for National Service	<ul style="list-style-type: none"> <li>• Under program objectives, expanded</li> </ul>

	and State Aging Programs – Foster Grandparent Program	<ul style="list-style-type: none"> <li>number of hours of services supported by stipends.</li> <li>Under types of services, corrected reference to Handbook and raised current stipend rate.</li> </ul>
5	The Corporation for National Service and State Aging Programs – Retired and Senior Volunteer Program and Senior Companion Program	<ul style="list-style-type: none"> <li>Under program procedures, updated information on sources of funding.</li> </ul>
6	State Aging Programs – Alzheimer’s Family and Caregiver Support Program	<ul style="list-style-type: none"> <li>Under cost sharing agreements, corrected reference to HFS 68.</li> </ul>
	Throughout	<ul style="list-style-type: none"> <li>Minor corrections to wording, capitalization, and so on.</li> </ul>

# Aging Programs Audit Guide 2003 Revision

*A supplement to the Provider Agency Audit Guide and to the  
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## Introduction

This audit guide is to be used when auditing agencies that receive Federal Older Americans Act and State aging program grant funds, whether directly from the Department of Health and Family Services or passed through another agency, such as an area agency on aging or county and tribal aging units. Agencies covered in this audit guide may be sub-recipients of any of the following grants:

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When aging program funds are included in an audit, a copy of the audit report must be submitted to the granting area agency or county or tribal aging unit for review and resolution.

In addition, to the laws, rules and regulations listed in this Audit Guide, the auditor should be familiar with:

- The Federal Older Americans Act of 1965, as amended in 1987 and 2000, and implementing regulations 45 CFR Part 1321, Grants for State and Community Programs on Aging.
- Public Law 87.73 and 20 CFR Part 674 related to Title V (employment) of the Older Americans Act.
- Public Law 93-113 and 45 CFR Part 1208 related to Foster Grandparent Program. THE CORPORATION FOR NATIONAL SERVICE (CNS) Foster Grandparent Program Operations Handbook 4405.90 and Grant Management Handbook 2650.2.
- Section 46.80, 46.81, 46.85, 46.855 and 46.87 of Wisconsin State Statutes
- Wisconsin Administrative code HFS 68 related to Alzheimer's Family and Caregiver Support Program.
- The Wisconsin Aging Network - A Manual of Policies and Procedures.

This document provides compliance requirements for funds administered under the Older Americans Act, (CNS) and State aging programs and audit procedures to be applied to the service provider level (purchase of service contracts from area agencies on aging, county or tribal aging units).

U.S.D.A. (NUTRITION SERVICES INCENTIVE PROGRAM-NSIP) cash compliance requirements were expanded by the Department to identify service provider requirements relating specifically to Title III funded nutrition program.

Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers CFDA 93.044/Title III, Part C-Nutrition Services CFDA 93.045 are considered the AGING CLUSTER by the federal government.

The auditor need only select and apply those requirements applicable to the types of services provided and those that are not included in documented assessment and fiscal reviews by the awarding county.

Compliance requirements for the State-funded programs were developed by the Wisconsin Department of Health and Family Services, Bureau of Aging and Long Term Care Resources. Contact Gordon Bond at [BondGL@dhfs.state.wi.us](mailto:BondGL@dhfs.state.wi.us) if you have questions about these requirements.

# **1 Title III & VII of the Older Americans Act (OAA)**

## **1.1 Title VII of The Older Americans Act – Prevention of Elder Abuse, Neglect and Exploitation**

Federal Catalogue # 93.041 State ID #435.560490  
(See Introduction for general information)

### **1. PROGRAM OBJECTIVES**

Program is to provide activities to develop, strengthen, and carry out programs for the prevention and remedy of elder abuse, neglect, and exploitation. Focus is on provision of direct services to victims of abuse and neglect.

### **2. PROGRAM PROCEDURES**

Funds for the program are distributed by the state to area agencies on aging based on the Title III-B formula. The area agencies on aging contract with providers to carry out the program objectives.

### **3. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **a. Types of Services Allowed**

##### *Compliance Requirement*

Funds should be spent on individuals by providing for outreach, ensuring the coordination of services by area agencies, aging units and the State, conducting training, providing technical assistance, promoting the development of an elder abuse, neglect and exploitation system including direct services and case management. (OAA 705)

##### *Suggested Audit Procedures*

Test a sample of the agency's expenditure records and coverage of services to determine whether funds are used to provide services included in the contract.

#### **b. Eligibility**

##### *Compliance Requirement*

The Older Americans Act (OAA) provides for no eligibility requirement except that agencies must serve clients 60 years of age or older.

##### *Suggested Audit Procedures*

- Review the agency's procedures for determining eligibility and evaluate for adequacy.
- Test a sample of participant files for adherence to prescribed procedures.

**c. Matching Requirement**

*Compliance Requirement*

No match requirement.

**d. Reporting Requirements**

*Compliance Requirement*

The service provider agency must submit monthly and annual financial reports provided by the area agency on aging

*Suggested Audit Procedures*

- Review the agency's process for completing reports.
- Test a sample of reports to make sure the amounts reported are supported by the accounting records.



## **1.2 Title III - D of The Older Americans Act – Preventive Health**

Federal Catalogue # 93.043

(See Introduction for general information)

### **1. PROGRAM OBJECTIVES**

Program is to provide disease prevention and health promotion services and information at multipurpose senior centers, at congregate meal sites, through home delivered meals programs, or at other appropriated sites. Priority should be given to the medically underserved and where a large number of older individuals have the greatest economic need.

### **2. PROGRAM PROCEDURES**

Funds for the program are distributed by the state through area agencies on aging to each county and tribe in Wisconsin based on its proportion of the State's elderly using population factors such as over 60, over 75, 60+ low income and minority.

### **3. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **a. Types of Services Allowed**

##### *Compliance Requirement*

Funds should be spent on individuals for health risk assessments, routine health screening, nutritional counseling, health promotion programs, physical fitness programs, home injury control services, screening for the prevention of depression, education programs on the availability, medication management screening, information concerning diagnosis, gerontological counseling and counseling regarding social services. (OAA Section 314)

##### *Suggested Audit Procedures*

Review the agency's expenditure records and coverage of services to determine whether funds are used to provide services included in the contract.

#### **b. Eligibility**

##### *Compliance Requirement*

The Older Americans Act (OAA) provides for no eligibility requirement except that agencies must serve clients 60 years of age or older.

##### *Suggested Audit Procedures*

- Review the agency's procedures for determining eligibility and evaluate for adequacy.
- Test a sample of participant files for adherence to prescribed procedures.

#### **c. Matching Requirement**

##### *Compliance Requirement*

At least 10% of the costs of services provided must be met with allowable cash or in-kind contributions. These contributions must be from non-federal and state sources and not used to match another federally or state funded program. (A Manual of Policies and Procedures for The Wisconsin Aging Network)

*Suggested Audit Procedures*

- Determine the total cost of the program.
- Determine that the agency met the match requirement.
- Test a sample of in-kind match costs reported to supporting records.

**d. Reporting Requirements**

*Compliance Requirement*

The service provider agency must submit monthly and annual financial reports (Form PH130)

*Suggested Audit Procedures*

- Review the agency's fiscal and program records and methods for completing reports.
- Test a sample of reports to make sure the amounts reported are supported by the accounting records.

## **1.3 Title III - E of The Older Americans Act – National Family Caregiver Support Program**

Federal Catalogue # 93.052

(See Introduction for general information)

### **1. PROGRAM OBJECTIVES**

Program is designed to provide support services including information and assistance to caregivers, counseling, support groups and respite and other home and community based services to families caring for their frail older members or grandparents over 60 caring for their grandchildren under 19.

### **2. PROGRAM PROCEDURES**

Funds for the program are distributed by the state through area agencies on aging to each county aging unit in Wisconsin based on its proportion of the State's elderly using population factors such as over 60, over 75, 60+ low income and minority. Tribal aging units are eligible to receive caregiver program money directly from the Administration on Aging through the federal Title VI program.

### **3. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **a. Types of Services Allowed**

##### *Compliance Requirement*

Funds can be spent for support services for (1) family caregivers; and (2) for grandparents or older individuals who are relative caregivers. (OAA Section 316) No more than 10% of this funding may be used to support grandparents (60+) and older individuals who are relative caregivers who are caring for their grandchildren (under age 18). No more than 20% of this funding may be used for supplemental services.

##### *Suggested Audit Procedures*

Test a sample of the agency's expenditure records and coverage of services to determine whether funds are used to provide services included in the contract.

#### **b. Eligibility**

##### *Compliance Requirement*

The Older Americans Act (OAA) provides for no eligibility requirement except that agencies must serve clients 60 years of age or older. When providing either respite care or supplemental services, the older person receiving either respite or supplemental services must meet the following definition of "frail" as outlined in subparagraph (A)(I) or (B) of Section 102(28) of the Older Americans Act:

"The term "frail" means that the older individual is determined to be functionally impaired because:

- a) he/she is unable to perform at least two activities of daily living without substantial human assistance, including verbal reminding, physical cueing or supervision; or
- b) due to cognitive or mental impairment, the individual requires substantial supervision due to behavior that poses a serious health or safety hazard to the individual or another.

Agencies providing either respite or supportive services shall use a functional screen document that is able to capture the required information.

*Suggested Audit Procedures*

- Review the agency's procedures for determining eligibility and evaluate for adequacy.
- Test a sample of participant files for adherence to prescribed procedures.

**c. Matching Requirement**

*Compliance Requirement*

At least 25% of the costs of services provided must be met with allowable cash or in-kind contributions. These contributions must be from non-federal and state sources and not used to match another federally or state funded program. The state Alzheimer's Family and Caregiver Support Program funds may be used as match to this program. (A Manual of Policies and Procedures for The Wisconsin Aging Network)

*Suggested Audit Procedures*

- Determine the total cost of the program.
- Determine that the agency met the match requirement.
- Test a sample of in-kind match costs reported to supporting records.

**d. Reporting Requirements**

*Compliance Requirement*

The service provider agency must submit monthly and annual financial reports (Form NFCSP140)

*Suggested Audit Procedures*

- Review the agency's process for completing reports.
- Test a sample of reports to make sure the amounts reported are supported by the accounting records.

## **1.4 Title III – B of The Older Americans Act – Supportive Services**

Federal Catalogue # 93.044

(See Introduction for general information)

### **1. PROGRAM OBJECTIVES**

TITLE III - Older Americans Act (OAA). The objective of Title III is to promote the independence and dignity of older persons. It also calls for equal opportunity for all other persons in the following areas: income, physical and mental health, housing, employment, retirement with dignity, meaningful activities, community services, benefit from research and supported living arrangements. State, area and local agencies are to develop services that promote independent and dignified living for older people in their homes.

The objective of Title III-B, is to carry out a program to provide older persons with a variety of supportive services as listed in Sec. 311 of the Older Americans Act.

### **2. PROGRAM PROCEDURES**

Funds are provided to states for the delivery of supportive services to older persons, following submission of a state plan and in accordance with a predefined formula. Funds for the program are distributed by the state through area agencies on aging to each county and tribe in accordance with a predefined formula.

### **3. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **a. Types of Services Allowed**

##### *Compliance Requirement*

Services that may be funded under Title III-B are: 1) services which facilitate access; 2) services provided in the community; 3) services provided in the home; and 4) services provided to assist individuals in avoiding institutionalization or in returning to their communities from institution care settings. Services falling within these categories are listed in Sec. 311 of the Older Americans Act.

##### *Suggested Audit Procedures*

- Review for adequacy the system used for determining the services to be provided.
- Test a sample of costs claimed to determine whether the services provided were included in the contract.

#### **b. Eligibility**

##### *Compliance Requirement*

The Older Americans Act provides for no eligibility requirement except that agencies must use Title III-B to provide supportive services to individuals, 60 years of age or older.

All service providers must follow priorities set up by the awarding area agency or county and tribal aging unit for serving older persons with greatest economic or social need, particularly low-income minority elders.

Service providers may use methods such as location of services and specialization in the types of services most needed by these groups to meet this requirement. Service providers may not use a means test (45 CFR, Parts 1321.3, 1321.17(f)(2), 1321.67 and 1321.69(a)).

#### *Suggested Audit Procedures*

- Test a sample of the participants files for program eligibility.
- Test agency procedures to determine that no means test is used.
- Test agency procedures to determine that funds are targeted on those in greatest economic or social need, particularly low-income minority elders.

#### **c. Matching Requirement**

##### *Compliance Requirement*

The service provider under contract must meet at least 10% of the costs of providing the service with allowable cash or in-kind contributions. These contributions must be from non-federal sources and not used to support another federally funded program. (45 CFR Part 1321.47 Wisconsin Aging Network - a Manual of Policies and Procedures)

#### *Suggested Audit Procedures*

- Determine the total cost of the program.
- Determine that the agency met the match requirement.
- Test a sample of in-kind match costs reported to supporting records.

#### **d. Reporting Requirements**

##### *Compliance Requirement*

The service provider agency must submit a monthly and final financial report (Form SS100) and a semi-annual program report to the grantor agency. (Wisconsin Aging Network - a Manual of Policies and Procedures)

#### *Suggested Audit Procedures*

- Review the agency's fiscal and program records and methods for completing reports.
- Test a sample of the reports to make sure the amounts reported are supported by the accounting records.

#### **e. Special Provisions - Contributions**

##### *General Requirement*

Each service provider must: 1) provide each older person with a free and voluntary opportunity to contribute to the cost of services provided; 2) protect the privacy of each older person with respect to his or her contribution; 3) establish appropriate procedures to safeguard and account for all contributions; 4) use all contributions, to maintain, expand or improve the program; and 6) spend all contributions earned within the contract period or no later then sixty (60) days after the contract period ends. (45 CFR Parts 1321.65 and 1321.67 and Wisconsin Aging Network - a Manual of Policies and Procedures)

#### *Suggested Audit Procedures*

- Review the agency's procedures for providing contribution opportunities to older persons.

- Review the agency's policies and methods for safeguarding and accounting for contributions.
- Test the agency's fiscal records to determine that contributions are used to maintain, expand, or improve the program and are spent within 60 days of the end of the contract period.



## **1.5 Title III - C of The Older Americans Act – Nutrition Services**

Federal Catalogue # 93.045 and State ID # 435.560350 & 560360  
(See Introduction for general information)

### **1. PROGRAM OBJECTIVES**

The general objective of Title III of the Older Americans Act applies (see III A 1 above)

The specific objective of Title III, Part C - Nutrition Services, is to provide older persons with low-cost nutritious meals, appropriate nutrition education, and other appropriate nutrition services. Meals may be served in a congregate setting or delivered to the home.

### **2. PROGRAM PROCEDURES**

Funds are provided to the state for the delivery of nutrition services to persons aged 60 and over, following submission of a state plan. In accordance with a predefined formula, the state allocates the funds to public and private agencies which have submitted plans for approval to provide the meals and other services through area agencies on aging to each county and tribe in Wisconsin on a uniform statewide formula.

### **3. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURE**

#### **a. Type of Services Allowed**

##### *Compliance Requirement*

Funds may be used for congregate and home-delivered meals that meet one-third of the minimum daily recommended dietary allowances for the elderly and are provided at least once per day, five or more days a week. (OAA Sections 312 and 313)

##### *Suggested Audit Procedures*

Review for adequacy the agency's system for determining content and number of meals and evaluate. Determine whether there is adherence to the prescribed system.

#### **b. Eligibility**

##### *Compliance Requirement*

Only persons 60 years of age or older and their spouses (regardless of age), volunteers, disabled persons under 60 who reside in housing facilities occupied primarily by the elderly at which congregate nutrition services are provided, and disabled persons under 60 who live with and accompany an older person are eligible for congregate nutrition services.

(Volunteers are persons providing free assistance to the nutrition service provider). Persons 60 or over who are homebound by reason of illness or incapacitating disability or otherwise isolated are eligible for home-delivered meals. (45 CFR Parts 1321.17 (f)(12), 1321.69 (b), Wisconsin Aging Network - a Manual of Policies and Procedures)

##### *Suggested Audit Procedures*

- Review for adequacy the agency's procedures for determining eligibility, including eligibility for home-delivered meals.
- Test a sample of participant files to determine that they are eligible to receive meals.



**c. Matching Requirements**

*Compliance Requirement*

At least 10% of the costs of the services provided must be met with allowable cash or in-kind contribution. These contributions must be from non-federal sources and not used to match another federally funded program. (45 CFR Parts 1321.47, Wisconsin Aging Network - a Manual Policies and Procedures)

*Suggested Audit Procedures*

- Determine the total cost of the program.
- Determine that the agency met the match requirement.
- Test a sample of in-kind match costs reported to supporting records.

**d. Reporting Requirements**

*Compliance Requirement*

The service provider agency must submit monthly and final financial reports (Form CM110 Congregate Nutrition and Form HD120 Home Delivered Nutrition), and a semi-annual program report to the grantor agency. (Wisconsin Aging Network - a Manual of Policies and Procedures)

*Suggested Audit Procedures*

- Review the agency's process for completing reports.
- Test a sample of reports to make sure the amounts are supported by the accounting records.

**e. Special Provisions - Contributions**

*Compliance Requirement*

Each service provider must: 1) provide each older person with a free and voluntary opportunity to contribute to the cost of the services provided; 2) protect the privacy of each older person with respect to his or her contribution; 3) establish appropriate procedures to safeguard and account for all contributions made by program beneficiaries, 4) use all contributions to increase the number of meals served or to maintain or improve the program; and 5) spend all contributions earned within the contract period and no later than sixty (60) days after the contract period ends. (45 CFR Parts 1321.65, 1321.67 and Wisconsin Aging Network - a Manual of Policies and Procedures)

*Suggested Audit Procedures*

- Review the agency's procedures for providing contributions opportunities to older persons.
- Review the agency's policies and methods for safeguarding and accounting for contributions.
- Test the agency's fiscal records to determine that contributions are used to maintain, expand, or improve the program and are spent within 60 days of the end of the contract period.

## **2 United States Department of Agriculture – Food Distribution**

Federal Catalogue # 10.570

(See Introduction for general information)

### **1. PROGRAM OBJECTIVES**

The objective of the Food Distribution Program is to: (a) improve the diet of school children, needy persons in households on or near Indian reservations not participating in the Foods Stamp Program and in charitable institutions, the elderly, and other individuals in need of food assistance; and (b) to increase the market for domestically produced foods acquired under surplus removal or price support operations.

### **2. PROGRAM PROCEDURES**

Under Sec. 309 of the Older Americans Act, the Secretary of Agriculture must provide agricultural commodities or cash payments in lieu of donated foods to state administering programs under Title III of the Older Americans Act. Wisconsin has elected to receive USDA cash in lieu of commodities. When a state makes such an election, the Secretary of Agriculture makes cash payments to the state in an amount equivalent in value to the donated food which the state otherwise would have received if the state had retained its commodity distribution.

When such payments are made, the state agency must distribute the cash received through area agencies on aging to nutrition services providers based on each provider's proportion of the total number of meals served in the state. Such payments are reimbursements for purchases already made for the program.

### **3. COMPLIANCE REQUIREMENT AND SUGGESTED AUDIT PROCEDURES**

#### **a. Type of Services Allowed**

##### *Compliance Requirement*

USDA cash in lieu of commodities must be used by recipients of Title III grants and contracts to purchase United States agriculture commodities and other food for their nutrition projects. (OAA, Section 309 and Wisconsin Aging Network - a Manual of Policies and Procedures)

##### *Suggested Audit Procedures*

Test a sample of expenditure records to determine that USDA cash was used to purchase United States Agriculture commodities or other food.

#### **b. Eligibility**

##### *Compliance Requirement*

Three criteria must be applied to determine if a meal is eligible to earn USDA support under Title III. These criteria have as their basis the regulations issued by the Administration on Aging. A meal is eligible for USDA commodity/cash support, regardless of the funding sources, if it:

- 1) meets the nutritional requirement of one-third of the recommended daily allowance prescribed in (OAA Sections 312 and 313;
- 2) is served to an eligible individual, 60 years of age or older, spouse of a person 60 or older, regardless of age, or persons with physical disabilities under age 60 who live in

housing units where an elderly nutrition site is located, as defined under (45 CFR Parts 1321.17(f)(12), 1321.69 (b)); and

- 3) is served by an agency which has received a grant under the provisions of (OAA Sections 312 and 313).

The nutrition service provider must be under the jurisdiction, control, management and audit authority of the Title III Aging Network (i.e. the State Bureau of Aging and Long Term Care Resources, area agency on aging, or county of tribal aging unit).

*Suggested Audit Procedures*

Review agency records and procedures for determining eligibility for USDA reimbursement:

- Test a sample of menus to determine whether they have been approved by a registered dietician.
- Test a sample of participant sign-up sheets to determine whether the participants are included in the agency's list of eligible participants.

**c. Matching Requirement**

There are no matching requirements.

**d. Reporting Requirements**

*Compliance Requirement*

Service provider agencies are required to report USDA cash expenditures on the Congregate and/or Home Delivered Nutrition monthly fiscal reports (Form CM110 and HD120 respectively). Meal counts are reported monthly on the (FNS-386A Monthly Report of Meal counts for Title III Nutrition Program for the Elderly). Both reports are submitted by the county or tribal aging unit.

*Suggested Audit Procedures*

- Review the agency's process for completing reports.
- Test a sample of reports to make sure the amounts reported are supported by the accounting records.

### **3 Title V of The Older Americans Act – Older American Community Service Employment Program**

Federal Catalogue # 17.235

(See Introduction for general information)

#### **1. PROGRAM OBJECTIVES**

The purpose of the Senior Community Service Employment Program (Title V) is to: (a) provide useful part-time community service work experience, training and placement services for low income individuals aged 55 and older; and, (b) to the extent feasible, assist program participants in obtaining unsubsidized private and/or public sector employment.

The program is authorized under Title V of the Older Americans Act (Public Law 87-73) which establishes jurisdiction for the program under the Department of Labor. A proposed rule published 5/17/95 as 20 CFR Part 641 provides the administrative guidelines for the program until such time as they are finalized.

#### **2. PROGRAM PROCEDURES**

As the Senior Community Service Employment Program (SCSEP) sponsor, the Department of Health & Family Services enters into a grant agreement annually with the Department of Labor. The Department contracts with 15 non-profit agencies that administer SCSEP throughout the state and operate the program in accordance with federal law and guidelines cited above. These agencies must submit an annual grant application and budget to receive funds. Continued funding for agencies is contingent on required performance measures being met. Agencies are required to submit fiscal & program reports. The Department does program and fiscal monitoring.

#### **3. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

##### **a. Types of Services Allowed**

###### *Compliance Requirement*

Funds may be used to provide work experience in community service assignments, classroom and other training, job development, fringe benefits, and necessary supportive services to eligible participants.

###### *Suggested Audit Procedures*

Test a sample of the agency's expenditure records to determine whether funds are used to provide services included in the contract.

##### **b. Eligibility Requirements**

###### *Compliance Requirements*

Participants in the Title V program must be 55 years of age or older; have an annual income no greater than 125% of the poverty level as defined annually by Department of Labor; and be a resident of the State of Wisconsin.

Continuing participants should be recertified by July 31 of each year and submit the original enrollment form(s) to the GRANTOR by August 31 of each year.

*Suggested Audit Procedures.*

- Review the agency's procedures for determining eligibility.
- Test a sample of participant files to make sure they were eligible.

**c. Matching Requirements**

*Compliance Requirements*

Host agencies are required to provide and report a 10% in-kind or cash match.

*Suggested Audit Procedures*

- Determine that the agency met the match requirement.
- Test a sample of in-kind match costs reported to supporting records.

**d. Special Provision - Limit on Administration Time Costs**

*Compliance Requirement*

Administrative costs consist of all direct and indirect costs associated with the management of the project. Administrative costs are comprised of goods and services which do not immediately affect participants, and are limited to those necessary to effectively operate the program.

No Title V funds will be granted to host agencies for administration except to applicant organizations with at least 50 Title V positions. Administrative allocations will be limited to a maximum of up to 7.5% of the Title V non-administrative budget.

*Suggested Audit Procedures*

Test the agency's financial records to determine whether administrative charges are within the amount eligible for Title V funds.

**e. Special Provision - Participant Wages, Benefits and Other Costs**

*Compliance Requirement*

Participant Wages. Each participant shall receive wages at a rate no less than the highest applicable rate:

- The minimum wage which would be applicable to the enrollee under the Fair Labor Standards Act of 1938;
- The state or local minimum wage for the most nearly comparable covered employment; or
- The prevailing rates of pay for persons employed in similar public occupations by the same employer.

Costs associated with sick leave and holidays may be included in the participant wages cost category.

Fringe Benefits. All participants within a host agency must receive the same fringe benefits and must receive FICA and Workers Compensation.

Other Participant Costs. These costs consist of costs other than wages and fringe benefits which are necessary to support the participants in the project. No more than eleven and one half percent

(11.5%) of SCSEP costs may be allocated to "other costs".

Total Costs. These costs consist of both SCSEP and non-federal funds for the project. A maximum of 90 percent of the total cost can be supported by SCSEP funds.

Program participants must work an average of 20 hours of work per week but no more than 1,300 hours in a 12-month period.

*Suggested Audit Procedures*

- Test a sample of participants to determine that they are properly compensated and meet the hours worked requirement.
- Test the agency's records to determine that no more than 90% of the total cost is paid for by SCSEP funds.



## **4 The Corporation for National Service and State Aging Programs – Foster Grandparent Program**

Federal Catalogue # 94.011 State ID #435.560450  
(See Introduction for general information)

### **1. PROGRAM OBJECTIVES**

The Department, through the Bureau of Aging and Long Term Care Resources, provides state and federal funds to public and non-profit organizations to operate a Foster Grandparent Program (FGP) in accordance with federal law (Public Law 93-113) and regulations (45 CFR Part 1208 and 2552). The program provides stipends to low income older persons who provide 14 to 40 hours per week of supportive services to children with special and exceptional needs.

### **2. PROGRAM PROCEDURES**

As a FGP sponsor, the Department annually subgrants state General Program Revenue (GPR) and federal Corporation for National Service (CNS) funds to 16 components to operate the program at various volunteer sites throughout the state. Components submit an annual application, including a budget, to show proposed implementation of the program. A variety of fiscal and program reports are required. Program and fiscal monitoring is done by the Department on both state and federal funds. (CNS) makes occasional site visits and programmatic audits.

State GPR funds are provided via grant agreement to three agencies which operate their own FGPs (i.e. are independent program "sponsors") and receive their federal funds directly from (CNS). Their programs expenditures are monitored directly by (CNS). The Department monitors the appropriateness of how state funds are spent.

### **3. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **a. Types of Services Allowed**

##### *Compliance Requirement*

Component supervisors are required to provide foster grandparents with personally meaningful volunteer opportunities in providing support and companionship to children with special or exceptional needs. Foster grandparents must concur with their assignment to individual children. Foster grandparents may serve mentally retarded persons over age 21 if the person was receiving service from the foster grandparent prior to reaching age 21.

Funds are provided to carry out the program as provided in the law, the regulations and the (CNS) Foster Grandparent Program Operations Handbook 4405.90 (especially Chapter 10 for allowable costs) and (CNS) Grants Management Handbook 2650.2, as well as the grant agreement and Bureau administrative instructions.

In carrying out the program, sites are required to: annually review the volunteers' income eligibility; pay current stipend rate as established by (CNS) (\$2.65/hr as of 2002); and assist foster grandparents with travel costs in accordance with local policy.

##### *Suggested Audit Procedures*

Test a sample of records to determine:

- appropriate stipend payment,
- in-kind meals (when provided),

- documentation of pre-service orientation and monthly in-service programs,
- transportation claims, and
- attendance of foster grandparents.

**b. Eligibility**

*Compliance Requirements*

Persons who become foster grandparents must: be 60 years of age or older; be low income, as defined by (CNS) in the Federal Register, unless enrolled as a "non-stipend" foster grandparent.

Once enrolled the grandparent may not have income more than 20% above the (CNS) guidelines. They must have a physical exam prior to assignment and annually thereafter to determine their capability to serve children without detriment to themselves or the children.

*Suggested Audit Procedures*

- Review for adequacy agency's procedures for determining eligibility.
- Test a sample of selected participant files for eligibility.

**c. Matching Requirements**

Local providers are not required to provide a local match (unlike many other aging programs).

## **5 The Corporation for National Service and State Aging Programs – Retired and Senior Volunteer Program and Senior Companion Program**

State ID #435.560390

(See Introduction for general information)

### **1. PROGRAM OBJECTIVES**

The Retired and Senior Volunteer Program (RSVP) provides community volunteer opportunities for persons aged 55 and above. There are 17 RSVP projects in Wisconsin. Sixteen of the projects receive both state funds from DHFS and federal funds directly from the federal volunteer agency (CNS).

The Senior Companion Program (SCP) provides a stipend to low income volunteers aged 60 and above to assist homebound older persons. There are three SCP projects in Wisconsin. Two projects receive state funds from DHFS and federal funds directly from the federal volunteer agency (CNS). The third project is locally funded.

### **2. PROGRAM PROCEDURES**

State statutes require DHFS to distribute appropriated GPR funds to the federally funded RSVP and SCP projects in Wisconsin. The levels of funding per project are determined by DHFS. Projects may use these funds to expand the scope of their programs.

State statutes require DHFS to fund two non-federally funded RSVP projects with appropriated GPR funds. The levels of funding per project are determined by DHFS. Projects may use these funds to develop and support volunteer services which meet the federal RSVP model. Both received federal expansion grants in 2002 and are now considered federal projects that also receive the state supplemental funds.

### **3. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **a. Types of Services Allowed**

##### *Compliance Requirements*

Funds for this program may be used to supplement the federally allowed activities of the federally funded RSVP and SCP projects in Wisconsin. These projects may not diminish their level of local support by substituting funds from this program.

##### *Suggested Audit Procedures*

Determine that grantees are maintaining their level of non-federal support (i.e. spending at least as much as was spent last year).

#### **b. Eligibility**

##### *Compliance Requirement*

Volunteers in projects supported by this program must be at least 60 years of age for Senior Companion Program and 55 years of age for Retired and Senior Volunteer Program.

SCP volunteers must have annual incomes, exclusive of their SCP stipends, that do not exceed 125% of the federal poverty level. Once enrolled, the Senior Companion may not have income

more than 20% above the federal guidelines.

*Suggested Audit Procedures*

- Test a sample of records to determine that SCP volunteers are at least 60 years of age.
- Test a sample of records to determine that SCP volunteers meet income eligibility requirements.

**c. Matching**

*Compliance Requirements*

Grantees are required to provide a 10% match for funds under this program. The match requirement may be met with either cash or in-kind contributions. However, the source of the matching share may not be either federal or state funds or goods and services purchased with federal or state funds.

*Suggested Audit Procedures*

- Determine that the agency met the match requirement.
- Test a sample of in-kind match costs reported to supporting records.

## **6 State Aging Programs – Alzheimer’s Family and Caregiver Support Program**

State ID #435.560381

(See Introduction for general information)

### **1. PROGRAM OBJECTIVES**

The Alzheimer's Family and Caregiver Support Program (AFCSP) allocates funds to county lead agencies to provide service payments, goods, and services to persons with Alzheimer's disease or related dementias and to their family caregivers. These service payments, goods and services are intended to help make available community services directed at preventing or delaying the institutionalization of persons with irreversible dementia, enhancing their quality of life, and to assist family members and other caregivers.

### **2. PROGRAM PROCEDURES**

The Division of Supportive Living contracts with each county lead agency to operate the program. Each county lead agency implements and operates the program in accordance with Wis. Stats. 46.87, as promulgated by Wisconsin Administrative Code HFS-68.

### **3. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **a. Project Budget Requirement**

##### *Compliance Requirements*

Consistent with HFS 68.05, the county agency shall annually prepare a distinct budget, using the state required form, for this program and submit it to the department by September 30 unless otherwise directed by the Bureau of Aging and Long Term Care Resources. This distinct budget shall be part of either the proposed budget required under s.46.031, Wis. Stats., or the plan for older people required by the department and prepared by the county aging unit under s.46.87(3)(c)4 Wis. Stats. The budget shall include at least the following information:

- (1) The total amount of allocated funds anticipated for the program for the calendar year;
- (2) The number of households anticipated to be enrolled and served for the calendar year;
- (3) The planned distribution of allocated funds by purpose under s. HFS 68.06(1);
- (4) The method or methods for paying for goods and services under s. HFS 68.09;
- (5) The maximum amount payable in a calendar year to or on behalf of any participating person with Alzheimer's disease, if the amount is less than \$4,000;
- (6) A brief description of any limitations on goods and services that are to be provided, purchased or contracted for;
- (7) Brief descriptions of any new programs or expanded services;
- (8) A summary of the waiting list policy; and

- (9) The name and telephone number of the principal contact person at the county agency for the program.

*Suggested Audit Procedures*

Review the administering agency's records and assure that there is a program budget consistent with HFS 68.05., and test expenditures against the agency's budget. The department has distributed the form "Alzheimer's Family and Caregiver Support Program Budget Report" which the agency may use to record this budget information.

**b. Types of Services Allowed**

*Compliance Requirements*

The administering agency in each county may use allocated funds only for the purposes described in HFS 68.06 Allowable Use of Funds.

- HFS 68.06(1): Administering agencies may only use allocated funds for the following purposes:
  - (1) To pay for the cost of goods and services provided to or purchased for an eligible person living in a household or residential facility;
  - (2) To contract with service providers to develop new programs or expand services;
  - (3) To provide outreach to persons in need of support by the program, or to enhance public awareness of Alzheimer's disease;
  - (4) To develop or assist support groups for persons with Alzheimer's disease and their caregivers; and
  - (5) To pay for program administration, but not more than 10% of the allocated funds.
- HFS 68.06(2)(a): A household or a person living in a residential facility who is participating in the program may not be restricted from purchasing goods and services listed in this section from providers who are located outside of the county to which application is made.
- HFS 68.06(2)(b): List of goods and services that may be purchased under this program.
- HFS 68.06(3): Administrative agencies may use no more than 10% of program funds to pay administrative costs that fall into one or both of the following categories:
  - (1) Training and development; or
  - (2) Agency and systems management.

*Suggested Audit Procedures*

- Test a sample of the administering agency's records to determine that funds were used only for the purpose described in HFS 68.06(1) and (2)b.
- Test a sample of client records to determine that no restrictions exist that prevent the purchase of goods and services from providers located outside the county to which application was made.
- Test the administering agency's records to determine that no more than 10% of program funds were used to pay for administrative costs are consistent with HFS 68.06(1) and 68.06(3).

- Consistent with s.46.87(8), Wis. Stats. the administering agency is required to submit an annual program expenditure report to the department. The department has distributed form DSL-906 which the agency may use for this purpose. Some administering agencies may also be required to submit the DSL-600 CARS report, if so, line 381 on the DSL-600 should agree with the total expenditures reported on the DSL-906. If they do not, the agency needs to explain the difference. Reconcile the report to supporting records.

**c. Client Eligibility**

*Compliance Requirement*

The administering agency for a county will be reimbursed for services provided to a client who has met the eligibility criteria as stated in HFS 68.07 as follows:

- HFS 68.07(1): At least one member of the household or person living in a residential facility has a final, tentative, or preliminary written diagnosis of Alzheimer's disease or related irreversible dementia from a physician. HFS (68.02(3)(a to i)
- HFS 68.07(2): The person in the household who has Alzheimer's disease or the caregiver resides in the county; or the person with Alzheimer's disease resides in a residential facility in the county.
- HFS 68.07(3): The person with Alzheimer's disease and that person's spouse have an income of no more than \$40,000 for the 12 month period prior to application or prospective. If the joint income is more than \$40,000, any Alzheimer's related expenses can be subtracted, and if the net income is \$40,000 or less the household is eligible.
- DHFS distributed "WORKSHEETS FOR FINANCIAL ELIGIBILITY, ABILITY TO PAY AND SERVICE PAYMENTS" to all county lead administrative agencies. DHFS also distributed instructions for completing these worksheets.

*Suggested Audit Procedures*

- Select a sample of client records to determine that Worksheets 1, 2, and 3 have been completed according to these instructions.

**d. Cost Sharing Agreements**

*Compliance Requirements*

The county agency is required to make a Determination of Need and establish Cost Sharing Agreements with individual clients where appropriate in accordance with HFS 68.08 Payment Calculation. This includes the "WORKSHEETS FOR FINANCIAL ELIGIBILITY, ABILITY TO PAY AND SERVICE PAYMENTS"

*Suggested Audit Procedures*

Determine whether the agency established maximum cost share levels consistent with (maximum annual ability to pay tables) issued monthly.

- Select a sample of client records to determine a client's cost share.



**e. Method of Payment**

*Compliance Requirements*

The payments made by an administering agency for goods and services shall be made as described in HFS 68.09 Method of Payment, which includes the following requirements:

- (1) Payment made to a service provider on behalf of the person with Alzheimer's disease or of the person's caregiver;
- (2) Payment made to a service provider under contract with the administering agency to develop new programs or to expand services;
- (3) Payment made to the household of a person with Alzheimer's disease pursuant to accounting requirements set forth by the administering agency; or
- (4) Payment made to the manager of a residential facility in which a person with Alzheimer's disease resides for the purchase of goods or services, or both, pursuant to accounting requirements set forth by the administering agency.

*Suggested Audit Procedures*

Test a sample of the administering agency's payments for goods and services for compliance with HFS 68.09.

## **7 State Aging Programs – Elderly Benefit Specialist Program**

State ID #435.560320 & 560318  
(See Introduction for general information)

### **1. PROGRAM OBJECTIVES**

The objective of the elderly benefit specialist program is to assist older persons to gain access to private or government benefits (e.g. supplementary insurance to Medicare, Medicare, Medical Assistance, SSI, and Homestead Tax Credit). The county benefit specialists, are trained and supervised by regional attorneys, who are specialists in elder law and benefits, to help older persons determine what benefits they are entitled to, tell them what they must do to receive them and, when necessary, assist with the extensive and complicated paperwork that is often required in benefit programs. The benefit specialists also identify cases which require more complex legal work or litigation and make referrals to the regional attorney.

### **2. PROGRAM PROCEDURES**

The elderly benefit specialist program is funded by federal funds under Title III-B of the Older Americans Act and by state funds. Program funds are distributed by the state through the area agencies on aging to county aging units or in a single case to a private, non-profit agency.

The area agencies on aging contract for the attorneys who train, supervise and provide legal backup for the benefit specialists. The services of the benefit specialist are either provided directly or contracted to another agency by county aging units.

### **3. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **a. Types of Services Allowed**

##### *Compliance Requirement*

Benefit specialists provide information on benefits, suggest alternatives that the older persons can take to secure benefits or appeal denials of benefits, advocate on the client's behalf, explain what legal or other possible solution is required, and if necessary, refer to an appropriate attorney.

Benefit specialist can provide information to individuals or to groups of persons. The benefit specialist function is often combined with outreach responsibilities.

##### *Suggested Audit Procedures*

Test a sample of expenditure records to determine whether funds are used to provide services included in the contract.

#### **b. Eligibility**

##### *Compliance Requirements*

Services provided under this program must be provided to persons aged 60 or over, their caregivers or families. Information provided in group setting may be given to more diverse group (s.46.81(1)(c) Wis. Stats.).

##### *Suggested Audit Procedures*

- Inquire about the agency's procedures for determining eligibility. Benefit specialist records are randomly selected by the auditor for eligibility testing. Client names are

blocked out by benefit specialists to protect client confidentiality.

**c. Expenditure Requirement**

*Compliance Requirement*

Aging units must spend at least 5% of Title III-B allocation on the elderly benefit specialist program and must meet the state's non-supplanting requirements (see Memo Series DSL 87-104)

*Suggested Audit Procedures*

- Review the agency's financial records and determine the various funding sources of the program.
- Test whether Title III-B funds constitute at least 5% of total program costs.

**d. Matching Requirements**

*Compliance Requirement*

At least 10% of the costs of services provided must be met with allowable cash or in-kind contributions. These contributions must be from non-federal and state sources and not used to match another federally or state funded program. (Wisconsin Aging Network - a Manual of Policies and Procedures)

*Suggested Audit Procedures*

- Determine that the agency met the match requirement.
- Test a sample of in-kind match costs reported to supporting records.

**e. Reporting Requirement**

*Compliance Requirement*

The service provider agency must submit monthly and final financial reports (Form EBS160) to the grantor agency. (Wisconsin Aging Network - a Manual of Policies and Procedures)

*Suggested Audit Procedures*

- Review the agency's process for completing reports.
- Test a sample of reports to make sure the amounts reported are supported by the accounting records

**f. Special Provisions - Contributions**

*General Requirement*

Each service provider must: 1) provide each older person with a free and voluntary opportunity to contribute to the cost of services provided; 2) protect the privacy of each older person with respect to his or her contribution; 3) establish appropriate procedures to safeguard and account for all contributions; 4) use all contributions, to maintain, expand or improve the program; and 6) spend all contributions earned within the contract period or no later than sixty (60) days after the contract period ends. (45 CFR Parts 1321.65 and 1321.67 and Wisconsin Aging Network - a Manual of Policies and Procedures)

*Suggested Audit Procedures*

- Review the agency's procedures for providing contribution opportunities to older persons.

- Review the agency's policies and methods for safeguarding and accounting for contributions.
- Test a sample of reports to make sure the amounts reported are supported by the accounting records.

**g. Special Provision – Confidentiality**

*Compliance Requirement*

County benefit specialist programs must establish procedures which adhere to the federal requirement that client identifying information gathered by any legal assistance provider under this program is protected by attorney client privilege (45 CFR Part 1321.51(c)). Program should assure a location which allows private discussions, separate and locked cabinets for client files, and procedures which protect confidentiality of client information.

*Suggested Audit Procedures*

Examine the program's location, filing arrangements and procedures and determine whether they are designed to protect confidentiality of client information.

## **8 State Aging Programs – Senior Community Services Program**

State ID #435.560410

(See Introduction for general information)

### **1. PROGRAM OBJECTIVES**

This program, provides state funds to supplement any federal Title III program.

### **2. PROGRAM PROCEDURES**

Funds for the program are distributed by the state through area agencies on aging to each county and tribe in Wisconsin based on its proportion of the State's low income elderly.

### **3. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES**

#### **a. Types of Services Allowed**

##### *Compliance Requirements*

Same as requirements for Title III - B, C, D.

##### *Suggested Audit Procedures*

- Review approved county/tribal plan to determine services to be provided.
- Test sample expenditures to determine that they are being spent on approved services.

#### **b. Eligibility**

##### *Compliance Requirements*

See requirements for Title III - B, C, D. These are supplemental funds so eligibility requirements are tied to the federal funds they supplement.

##### *Suggested Audit Procedures*

- Review the agency's procedures for determining eligibility and evaluate for adequacy.
- Test a sample of participant files for adherence to prescribed procedures.

#### **c. Matching Requirement**

##### *Compliance Requirements*

Agencies are required to provide and report a 10% in-kind or cash match.

##### *Suggested Audit Procedures*

- Determine that the agency met the match requirement.
- Test a sample of in-kind match costs reported to supporting records.

**d. Reporting Requirements**

*Compliance Requirement*

The service provider agency must submit monthly and annual financial reports (Form SCS150 semi-annual program report and an annual report form (Form DSL-3385), to the grantor agency. (Wisconsin Aging Network - a Manual of Policies and Procedures)

*Suggested Audit Procedures*

- Review the agency's fiscal and program records and methods for completing reports.
- Test a sample of reports to make sure the amounts reported are supported by the accounting records.